



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 15, 1991

TO: Minerals File

FROM: Holland Shepherd, Senior Reclamation Specialist *HWS*

RE: Site Inspection, White Cap #8, Gypsum Resource Development Company,
M/015/047, Emery County, Utah

Date of Inspection: July 10, 1991

Time of Inspection: 11:00 a.m. - 12:00 a.m.

Conditions: Sunny, hot, clear, dry

Participants: Bryant Anderson, Emery County; Neil Simmons, BLM; and Holland Shepherd, DOGM

I met with Mr. Bryant Anderson of the Emery County Planning Office, and Mr. Neil Simmons of the BLM, during the site inspection of the White Cap #8. The reason for our meeting was to discuss the county's bonding of the mine site and the access road. Currently, the BLM requires a bond for the mine site (located within an Area of Critical Environmental Concern), as does Emery County. The Division does not require bonding for the site, because the site is under 5 acres. The county currently holds a \$100,000 Certificate of Deposit for the mine site and the road. Mr. Anderson indicated to me that about \$10,000 of that will be allotted towards the mine reclamation surety.

The site has not increased appreciably in size since my last inspection. The mine site itself, is still well under 5 acres. Some exploration development has been initiated around the periphery of the mine site, which is addressed under a separate exploration notice, and not the mine notice. The BLM has asked for a Plan of Operation from the operator. The BLM determines the size of the operation by including exploration and mining in the same category, so they look at the site as being over 5 acres. Also, the BLM has designated this an Area of Critical and Environmental Concern, which automatically requires bonding and a Plan of Operation, whether or not the operation is under 5 acres.

Page 2
Site Inspection
Gypsum Resource
M/015/047
July 15, 1991

We discussed the reclamation surety for the mine site during this inspection period. According to Mr. Anderson, the county is interested in letting either the BLM or the Division take over the surety, since the county is in unfamiliar territory at this time. The problem with that right now would be the fact that we can't bond the mine site until it is over 5 acres. However, the BLM can. We decided that perhaps the best thing to do would be to allow the county to hold the bond during the interim until the site becomes large enough such that the Division could take over. Most of the \$100,000 bond the operator has with the county, is for the road that has been upgraded by the operator for use to access the mine. The county is concerned that the road be maintained and upgraded properly, because the operator is using it predominately for hauling heavy ore and so is requiring a rather large bond for the use of the county road. The county is still negotiating with the operator concerning the size and the allocation of the \$100,000. The operator has asked that the bond be reduced to something more appropriate.

jb
cc: Bryant Anderson, Emery County
Wayne Hedberg
M015047.1